UNITED NATIONS **A**

General Assembly

Distr.
GENERAL

A/RES/51/231
25 June 1997

Fifty-first session
Agenda item 112

RESOLUTION ADOPTED BY THE GENERAL ASSEMBLY

[on the report of the Fifth Committee (A/51/922)]

51/231. Procurement reform

The General Assembly,

Recalling its resolution 49/216 C of 23 December 1994 and its decision 50/479 of 11 April 1996, as well as its previous relevant resolutions,

Having considered the reports of the Secretary-General on procurement reform[1] and the related reports of the Advisory Committee on Administrative and Budgetary Questions,[2]

Having also considered the reports of the Office of Internal Oversight Services on procurement for the period from 1 July 1995 to 30 June 1996,[3] on the audit of procurement handled by the Contracts and Procurement Service of the Department for Development Support and Management Services of the Secretariat,[4] on the investigation of the alleged misappropriation of United Nations assets at the United Nations Gift Centre[5] and on the audit of Headquarters catering operations,[6]

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[1] A/C.5/49/67, A/C.5/50/13/Rev.1 and A/C.5/51/9.

[2] A/50/7/Add.13 and A/51/7/Add.3; see Official Records of the General Assembly, Fiftieth Session, Supplement No. 7A and ibid., Fifty-first Session, Supplement No. 7.

[3] A/51/432, annex, sect. II.C.

[4] See A/50/945.

[5] See A/50/1004.

[6] A/51/802, annex.

Having further considered the concise summary of the principal findings, conclusions and recommendations of the Board of Auditors,[7] especially paragraphs 20 to 36 thereof, as regards procurement, in conjunction with comments on the subject contained in the report of the Advisory Committee on Administrative and Budgetary Questions[8] and the measures proposed by the Secretary-General to implement the recommendations of the Board of Auditors concerning procurement,[9]

Noting the progress made in the efforts to prepare a new procurement manual,

Noting with concern the continuing weaknesses and deficiencies in the area of procurement,

Emphasizing the importance of establishing a supplier roster on as wide a geographical basis as possible,

Noting the observation of the Advisory Committee on Administrative and Budgetary Questions in paragraph 20 of its report,[10]

1. Takes note of the reports of the Secretary-General on procurement reform[1] and the reported actions already taken or in progress to implement the reform measures;

2. Regrets that more progress has not been made, in particular, in improving the procedures and the cost-effectiveness of the procurement process and in broadening the representativeness of the supplier base;

3. Welcomes the review by the Board of Auditors of the implementation of the recommendations previously made by the General Assembly in its resolution 49/216 C on measures to improve the procurement process;

4. Takes note of the observations and recommendations contained in the reports of the Advisory Committee on Administrative and Budgetary Questions,[2] and endorses in particular the recommendation that procurement reform should be given the highest priority in the United Nations and its funds and programmes;

5. Requests the Secretary-General to expedite efforts to develop a single format for the provision of data and a common reporting system for procurement undertaken in the field and at Headquarters under the responsibility of the Secretary-General, in order to produce a complete set of statistics to be included in future reports on procurement to the General Assembly;

6. Expresses concern that over the last two years eight procurement-related arbitration claims have been instituted against the United Nations, totalling more than 90 million United States dollars, and requests the Secretary-General to submit to the General Assembly at its fifty-second session a comprehensive report on procurement-related arbitration cases,

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[7] A/51/283, annex.

[8] A/51/533, paras. 20, 21, 34-36 and 52-60.

[9] A/51/488, paras. 15-19 and A/51/488/Add.1, paras. 4-7, 14-21 and 26.

[10] A/51/7/Add.3; see Official Records of the General Assembly, Fifty-first Session, Supplement No. 7.

taking into account the obligations of the United Nations under the Arbitration Rules of the United Nations Commission on International Trade Law;[11]

7. Requests the Secretary-General to include in future reports on procurement also information on arbitration cases and the related costs;

8. Decides to revert to the question of the structure of the Procurement and Transportation Division of the Secretariat and the request of the Secretary-General that the Division be headed by a Director at the D-2 level during its consideration of the proposed programme budget for the biennium 1998-1999;

9. Requests the Secretary-General to fill the vacant posts relating to procurement as soon as possible;

10. Notes that there are officers on loan in the Procurement and Transportation Division, and decides to revert to this question during its consideration of the report of the Secretary-General on gratis personnel;

11. Notes also that a proposal is under consideration to introduce in the United Nations procurement system an incentive regarding equally qualified vendors from Member States;

12. Welcomes the efforts made to improve coordination within the United Nations procurement system, and encourages the further strengthening of such coordination;

13. Requests the Secretary-General to take further steps to improve the availability and timeliness, including through electronic access, of information relating to current and forthcoming procurement opportunities;

14. Welcomes the electronic announcement of United Nations contract awards through Procurement Update, issued by the Inter-Agency Procurement Services Office on the Internet, and encourages the Secretary-General to make further use of this medium;

15. Requests the Secretary-General to report through the Advisory Committee on Administrative and Budgetary Questions to the General Assembly at its fifty-second session on the establishment of a standard procedure for the preparation of performance evaluation reports on vendors, in particular those with major contracts;

16. Expresses its concern about the insufficient use of expertise in procurement planning in eight peacekeeping missions, including the United Nations Protection Force and the United Nations Operation in Somalia, which led to payments for aircraft services not utilized, assessed at 2.4 million dollars in the United Nations Angola Verification Mission and 0.4 million dollars in the United Nations Observer Mission in Liberia;

17. Regrets that, owing to deficiencies in procurement planning and failure to indicate specifications clearly, the Office of the United Nations High Commissioner for Refugees suffered a financial loss of about 3 million dollars;

18. Requests the Secretary-General to entrust the Office of Internal Oversight Services with the investigation of the situation mentioned in paragraphs 16 and 17 above and to report thereon through the Advisory

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[11] United Nations publication, Sales No. E.77.V.6.

Committee on Administrative and Budgetary Questions to the General Assembly at its fifty-second session;

19. Endorses the concern of the Advisory Committee on Administrative and Budgetary Questions about the use of suppliers recommended by requisitioners, notes that this practice undermines the principle of segregation of responsibilities between requisitioning and procurement entities, and requests the Secretary-General to discontinue the practice;

20. Requests the Secretary-General to ensure that in no case will a consultant who has been engaged to prepare specifications and to assist in technical evaluation be allowed to recommend vendors for invitations to bid;

21. Also requests the Secretary-General to redouble his efforts to streamline all aspects of the decision-making process in procurement at Headquarters;

22. Notes that the local committees on contracts have the authority to consider cases ranging from 50,000 dollars to 200,000 dollars, while the Headquarters Committee on Contracts will consider cases in amounts above 200,000 dollars;

23. Takes note of the information supplied in paragraphs 93 and 94 of the report of the Board of Auditors,[12] indicating that 48 per cent of suppliers were from one Member State;

24. Invites Member States to encourage their national suppliers to be registered in the supplier roster;

25. Requests the Secretary-General to expedite the steps being taken to establish a supplier roster on as wide a geographical basis as possible and to submit a report thereon, including a revised list of suppliers, through the Advisory Committee on Administrative and Budgetary Questions to the General Assembly at its fifty-second session;

26. Emphasizes that concerted efforts should be made to identify potential vendors in the developing countries and countries with economies in transition and to increase the representation from those countries in the bidding for and award of contracts, so as to develop a supplier base that is more representative of the membership of the Organization;

27. Takes note of paragraph 13 of the report of the Advisory Committee on Administrative and Budgetary Questions,[10] and decides to revert to this question during its consideration of the proposed programme budget for the biennium 1998-1999;

28. Requests the Secretary-General to take immediate action to ensure compliance with the established procedures for procurement, based on international competitive bidding and the widest possible geographical base of procurement;

29. Appreciates the efforts being made to address the problem of ex post facto cases, in particular for those offices away from Headquarters, and requests the Secretary-General to ensure that the approval of contracts on an ex post facto basis is kept to the minimum, with full justification for each such case;

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[12] Official Records of the General Assembly, Fifty-first Session, Supplement No. 5 (A/51/5), vol. I, sect. II.

30. Requests the Secretary-General to review the possibility of consolidating the procurement functions at Headquarters and to report thereon to the General Assembly as soon as possible and no later than September 1997;

31. Also requests the Secretary-General to develop an intensified training programme for all procurement personnel of the Secretariat and all its offices, including field offices of peacekeeping operations, to develop the capacity to dispatch in a timely manner qualified and trained procurement personnel to new or expanded missions and to report to the General Assembly at its fifty-second session on measures taken to enhance the training programme;

32. Further requests the Secretary-General to establish annual consolidated procurement plans as a part of procurement reform;

33. Requests the Secretary-General to complete the preparation of a new procurement manual as soon as possible and to provide the necessary training for procurement personnel;

34. Requests the Board of Auditors to monitor and report on the completion of the new procurement manual in its next report and to monitor closely the implementation of its recommendation that the Procurement and Transportation Division should establish detailed guidelines on methods of invitation to bid covering all aspects of procurement, including open tendering;

35. Also requests the Board of Auditors to report in the next audit report on peacekeeping operations, in January 1998, on the status of the implementation by the Secretary-General of its recommendations concerning the administration of letters of assist;

36. Welcomes the reports of the Office of Internal Oversight Services,[13] notes that the Secretary-General concurs with the recommendations of the Office, and requests the Secretary-General to ensure their full implementation;

37. Notes with concern the observations of the Office of Internal Oversight Services in paragraphs 37 to 42 of its report,[4] and requests the Secretary-General to report on the precise action taken in this regard to the General Assembly at its fifty-second session;

38. Endorses the recommendations contained in the report of the Office of Internal Oversight Services on the audit of Headquarters catering operations,[6] and requests the Secretary-General to take action to achieve consistency in policy and practice with regard to catering operations at Headquarters and at Geneva.

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[13] A/51/432, annex, sect. II.C; A/50/945, annex; A/50/1004; and A/51/802, annex.

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A/RES/51/232
25 June 1997

Fifty-first session
Agenda item 123 (a)

RESOLUTION ADOPTED BY THE GENERAL ASSEMBLY

[on the report of the Fifth Committee (A/51/724/Add.1)]

51/232. Financing of the United Nations Disengagement Observer Force

The General Assembly,

Having considered the reports of the Secretary-General on the financing of the United Nations Disengagement Observer Force,[1] and the related report of the Advisory Committee on Administrative and Budgetary Questions,[2] and taking note of the report of the Office of Internal Oversight Services,[3]

Bearing in mind Security Council resolution 350 (1974) of 31 May 1974, by which the Council established the United Nations Disengagement Observer Force, and the subsequent resolutions by which the Council extended the mandate of the Force, the latest of which was resolution 1081 (1996) of 27 November 1996,

Recalling its resolution 3211 B (XXIX) of 29 November 1974 on the financing of the United Nations Emergency Force and the United Nations Disengagement Observer Force and its subsequent resolutions thereon, the latest of which was resolution 50/20 B of 7 June 1996,

Reaffirming that the costs of the United Nations Disengagement Observer Force are expenses of the Organization to be borne by Member States in accordance with Article 17, paragraph 2, of the Charter of the United Nations,

Recalling its previous decisions regarding the fact that, in order to meet the expenditures caused by the Force, a different procedure is required from the one applied to meet expenditures of the regular budget of the United Nations,

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[1] A/51/405/Add.1 and 2.

[2] See A/51/684/Add.1.

[3] A/51/432, annex.

Taking into account the fact that the economically more developed countries are in a position to make relatively larger contributions and that the economically less developed countries have a relatively limited capacity to contribute towards such an operation,

Bearing in mind the special responsibilities of the States permanent members of the Security Council, as indicated in General Assembly resolution 1874 (S-IV) of 27 June 1963, in the financing of such operations,

Noting with appreciation that voluntary contributions have been made to the Force,

Mindful of the fact that it is essential to provide the Force with the necessary financial resources to enable it to fulfil its responsibilities under the relevant resolutions of the Security Council,

Concerned that the Secretary-General continues to face difficulties in meeting the obligations of the Force on a current basis, including reimbursement to current and former troop-contributing States,

Concerned also that the surplus balances in the Special Account for the United Nations Disengagement Observer Force have been used to meet expenses of the Force in order to compensate for the lack of income resulting from non-payment and late payment by Member States of their contributions,

1. Takes note of the status of contributions to the United Nations Disengagement Observer Force as at 15 May 1997, including the contributions outstanding in the amount of 47.9 million United States dollars, representing 4.2 per cent of the total assessed contributions from the inception of the Force to the period ending 31 May 1997, notes that some 24 per cent of the Member States have paid their assessed contributions in full, and urges all other Member States concerned, in particular those in arrears, to ensure the payment of their outstanding assessed contributions;

2. Expresses concern about the financial situation with regard to peacekeeping activities, in particular as regards the reimbursement of troop contributors, which bear burdens owing to overdue payments by Member States of their assessments;

3. Expresses its appreciation to those Member States which have paid their assessed contributions in full;

4. Urges all other Member States to make every possible effort to ensure the payment of their assessed contributions to the Force in full and on time;

5. Endorses the observations and recommendations contained in the report of the Advisory Committee on Administrative and Budgetary Questions;[2]

6. Requests the Secretary-General to take all necessary action to ensure that the Force is administered with a maximum of efficiency and economy;

7. Decides to appropriate to the Special Account for the United Nations Disengagement Observer Force the amount of 33,616,400 dollars gross (32,714,400 dollars net) for the maintenance of the Force for the period from 1 July 1997 to 30 June 1998, inclusive of the amount of 1,248,400 dollars for the support account for peacekeeping operations, to be assessed on Member States at the monthly rate of 2,801,366 dollars gross (2,726,200 dollars net), in accordance with the composition of groups set out in paragraphs 3 and 4 of General Assembly resolution 43/232 of 1 March 1989, as adjusted by the

Assembly in its resolutions 44/192 B of 21 December 1989, 45/269 of 27 August 1991, 46/198 A of 20 December 1991, 47/218 A of 23 December 1992, 49/249 A of 20 July 1995, 49/249 B of 14 September 1995, 50/224 of 11 April 1996 and 51/218 A and B of 18 December 1996 and its decisions 48/472 A of 23 December 1993 and 50/451 B of 23 December 1995, and taking into account the scale of assessments for the year 1997, as set out in its resolution 49/19 B of 23 December 1994 and its decision 50/471 A of 23 December 1995, and for the year 1998,[4] subject to the decision of the Security Council to extend the mandate of the Force beyond 31 May 1997;

8. Decides also that, in accordance with the provisions of its resolution 973 (X) of 15 December 1955, there shall be set off against the apportionment among Member States, as provided for in paragraph 7 above, their respective share in the Tax Equalization Fund of the estimated staff assessment income of 888,000 dollars approved for the period from 1 July 1997 to 30 June 1998;

9. Decides further that there shall be set off against the apportionment among Member States, as provided for in paragraph 7 above, their respective share in the estimated other income of 14,000 dollars for the period from 1 July 1997 to 30 June 1998;

10. Decides that, for Member States that have fulfilled their financial obligations to the Force, there shall be set off against the assessment, as provided for in paragraph 7 above, their respective share in the unencumbered balance of 1,129,300 dollars gross (1,066,700 dollars net) for the period ending 30 June 1996;

11. Decides also that, for Member States that have not fulfilled their financial obligations to the Force, their share of the unencumbered balance of 1,129,300 dollars gross (1,066,700 dollars net) for the period ending 30 June 1996 shall be set off against their outstanding obligations;

12. Decides that, for Member States that have fulfilled their financial obligations to the Force, there shall be set off against the assessment, as provided for in paragraph 7 above, their respective share in the surplus balance of 2,358,000 dollars for the period from 1 December 1993 to 30 November 1994;

13. Decides also that, for Member States that have not fulfilled their financial obligations to the Force, their share of the surplus balance of 2,358,000 dollars for the period from 1 December 1993 to 30 November 1994 shall be set off against their outstanding obligations;

14. Invites voluntary contributions to the Force in cash and in the form of services and supplies acceptable to the Secretary-General, to be administered, as appropriate, in accordance with the procedure and practices established by the General Assembly;

15. Decides to include in the provisional agenda of its fifty-second session, under the item entitled "Financing of the United Nations peacekeeping forces in the Middle East", the sub-item entitled "United Nations Disengagement Observer Force".

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[4] To be adopted by the General Assembly.